"Organized Action among Informal Workers: A Study of Construction and Street Vending Sectors in Patna"

1. INTRODUCTION

The literature, gives different concepts of informal sector. The use of the term "informal sector" decades back to research in Africa in the 1970s showing that census categories of the 'employed', 'unemployed' and 'non-active' mask the autonomous capacity of the poor to generate income and provide needed services to rapidly urban communities (ILO, 1972, Hart, 1973).

Over the years informal sector has been defined in several ways. However, defining it in such a way that it captures all forms of informality has been done by National Sample Survey in quite a comprehensive manner. NSS (1999) includes informal workers in both informal and formal enterprises, as well as regular workers in informal enterprises. NSS definition also accounts for greater demographic variation in terms of gender, caste, religion and region; it also includes more details on work type social condition and other things (Agrawala, 2013).

Measuring the informal economy is not an easy task, the greatest challenge arise from the lack of clear definition of the informal economy. A wide range of similar terms are used in the literature such as hidden economy, underground economy, bazaar economy, black market, criminal underworld, clandestine economy, parallel economy. Workers in the informal conditions have little or no social protection or employment benefits, and these conditions undermine inclusiveness in the labour market. In fact, one of the main reasons to study the informal sector has been the distortion informal economy causes in measuring the national income (GNP) (Feign, 1981). Measurement of national income are (such as Gross Domestic Product) always somewhat problematic. This is especially true in developing countries. The major problems are that such countries suffer from underreporting of their national income.

2. LITERATURE REVIEW

2.1 Informal Sectors: Theoretical Reflections

Research on the informal sector is substantially based on theories that try to give a view of the relationship between formal and informal activities or to explain the motives/reasons to participate in the informal economy and gender issues. Some literature have also focused on informal workers organization and organized action.

Some literature speak that informal workers worked in informal economy in nineteenth century, as a traditional sector (Lewis, 1954). According to Marx the existence of informal workers dates to ancient times especially when industrialization started in eighteenth century as a 'Sarvharavarg'. In the earliest studies of the informal economy (approximately, 1960-1970), the dominant theory was one, which considered the economy as a separate economic domain, or in other words, which supported dualism. Boeke (1953) describes the dual economy as consisting of an urban market economy (Capitalist nature) on one hand and rural subsistence economy (static agricultural system of production) on the other. Boeke says that Dual labour market's synonymous concept is that of a labour market segmentation, however as the "dual" implies, a dual labour market usually refers to two parallel markets, enlist segmentation in the broadest sense may involve several labour markets. Lewis (1954) used the idea of dual economy by discussing issue of surplus labour in under developed countries, in his article titled "Economic Development with Unlimited Supplies of Labour". Lewis focused on supply of labour in under development countries (UDCs) with an objective to see what can be made of distribution, accumulation and growth, first in context of a closed economy and then in an open economy (Lewis, 1954). Thus, Lewis by focusing on 'unlimited supply of labour' took a different posture and rejected the neoclassical assumption of full employment, market clearance and perfect competition.

John Keith Hart (Hart, 1973) was among those first scholars who theorized the economy of developing countries as characterized by the distinction between formal and informal sector according to the extent of work rationalization (ILO, 1972). Mukherjee and Kolmar (2006), provide a new perspective to this literature (Marjit, (2010, 2011). They analyze the causes behind emergence of informal sector in a political economy framework. Henley, Arabsheibeni and Carneiro (2006) discuss the appropriateness of various definitions of informal sector and degree of congruence between them. According to them, the

heterogeneity within this sector is increasing and the most common feature of informality is absence of social securities. Due to structural adjustment and consequent liberalization and privatization the formal employment shifted to informal employment which is among important features of labour market adjustment, especially in countries with no safety net for unemployment insurance (Samal, 2008). Specifically two basic tenets of labour policies in India relate to the field of (a) employment security, these policies implemented with fervor in the organized/ formal/public sector, (b) minimum wages and other benefits, these policies applied in informal/ unorganized sector (Mukherjee, 2009).

2.2 Informal sector as a gendered phenomenon?

It is well known that women are more likely to be employed in the informal sector than men for a combination of factors, including greater household responsibility, unorganized or low levels of skills and education, decreasing household incomes and occasionally, for greater autonomy and flexibility (Scott, 1995). In general, women in the informal sector earn less than men for same work and are concentrated in market niches considered to be 'feminine'. They often use their income to support their families' rather than to expand their business (Tinker, 1994). As such informal sector is preferable for women, since it provides more flexibility than formal employment and can be more easily accommodated with other household responsibility such as childcare (Simon, 2003).

Informal work has not only persisted on an international scale since the 1970s, but has also expanded and appeared in new guises in the context of globalization, neo-liberalism and cross-border as well as intra -country rural-urban migration, all of which are highly gendered processes (Bach, 2003; Carr and Chen, 2002; Chant and McIlwaine, 1995; Chen et al., 2004; ILO 2002b, 2007a; Valenzuela, 2005). Within these processes, women remain concentrated in "invisible" areas of informal work, such as domestic labour, piece-rate homework, and assistance in small family enterprises, which offer precarious employment status, low, irregular or no remuneration, little or no access to social security or protection, and limited ability to organize to ensure the enforcement of international labour standards and human rights (Abramo and Valenzuela, 2006; Carr and Chen, 2002; Fernández-Pacheco, 2003a, b; Reinecke et al., 2006; Vega Gramunt, 2004). Women in informal sector face exploitation at three levels; firstly, in common with men, they share exploitation by the formal sector; secondly, as industrial outworkers they are exploited by the

formal sector, and thirdly, their work is expropriated by men (Mary, 1994-95). Women's exploitation in this regard emerges from their dual productive economic role as 'unpaid' labourers at home and as 'paid' labourers outside home. The issue has been dealt with seminally by Maria Miess (2007), who focuses on the contradiction that in the industrial society, a housewife's work was not counted as work, either by capitalist economists or by socialist ones.

Strategies need to be designed to enhance the capacity of women and empower them to meet the negative social and economic impacts, which may flow from the globalization process. As this violence is part and parcel of a political – economy system based on colonization and limitless growth, it cannot be overcome by a strategy aiming only at 'gender equality' means catching up with colonialism. This is why feminist cannot be satisfied with an 'equal opportunities' policy but must strive to overcome all the relationship of exploitation, oppression and colonization which are necessary to maintain global capitalist patriarchy (Miess, 2007). Therefore, gender equality means equality between men and women not doing away with patriarch, but then is equality possible without contesting patriarchy?

3. Informal Sector: Empirical Reflections

The complexity involving informal sector arises typically because much of these activities are unrecorded and exists in the thin space between legality and illegality (De Soto, 2000; Dixit, 2004). When the informal sector phenomenon was accepted and broadly investigated, more and more empirical work appeared. These empirical works have used several methods to measure the informal economy, which is dependent on the way this economy is defined. Besides the difficulties coming from terminological confusion; inconsistency in definitions; and several measuring methods, 'the irregular and obscure conditions make it difficult for the researcher to collect data on the informal sector (Breman, 1980).

Kaarita Gerxhani (2004) discusses two main approaches to quantify the informal sector: direct and indirect approach. The indirect approach focuses on the study of available statistics, while the direct approach operates using sample surveys. The ILO measures extent of informalization in three ways viz.direct method, indirect method and model method. In the model method or approach informalization is measured through a structural equation that links unobserved variables.

Throughout the developing world; informal employment is generally a large source of employment for women than formal employment and generally large source of employment for women than

for men (Chen, Vanek and Heintz, 2006). Their work contributes the highest to value addition to the product and yet their contribution is regarded not as skilled work, but as mere extension of a lower order domestic skill (Charian, Prasad, 1995). Women, who did peeling work in the food processing units, received anything between Rs. 1.50 to Rs. 4.00 for peeling a basin of prawns. Their earning could vary from Rs.20 to Rs. 40 depending on the supply and speed of workers (Padma, 1995) (Joseph and Prasad, 1995). As per Breman's (1995) study of non- agrarian workers identities in Chikhligam district of Gujarat, the inclusion of women and children in work force, raises the proportion of casual workers to over three quarters of the working population (Breman, 1995). There are significant gender differences in both the formal and informal sector. Also, women are more likely than men to be unemployed compared to men (Sundaram, 2001).

There are over 397 million workers in India, out of which 123 million are women workers and only 18 million women workers are in the urban areas, while 105 million are in the rural areas (Sundaram,2001)). Form this; it is very obvious that out of the total workforce in India, only 31 per cent workers are women and the rest 69 per cent are men.

Out of total women workforce in India, only 15 per cent women are working in urban areas, whereas majority of the women workforce i.e. 85 per cent is in rural areas (Mediratta, 2009). In rural areas, females working in the unorganized sector are mainly found in agriculture, dairying, small animal husbandry, fisheries, khadi and village industry, handlooms, handicraft and sericulture, while in urban areas women are generally employed in large numbers as construction labour and as domestic workers (Varandani, 1994, page no.156). In rural India, on an average per day, a male casual labour earned Rs. 56.53, which is double than that of a female casual labour who earned Rs. 36.15. Thus in urban India, the gender wage difference is more prominent. A male casual labour in the urban areas earn Rs.75.51 in a day while female casual worker earns only Rs. 44.28 in a day (Government of India, Ministry of Finance, Economic Survey, 2005-06).

India is the largest producer of beedi, accounting for 85 per cent of the total world production. Beedi industries provide more gainful employment to people, mostly of rural areas. Notably, 65.9 per cent of beedi workers are women (Gowda, 1997, page no.98). Employer/ contractor easily exploit women by paying them lower wages (Kalpana and Kiran, 2013).

According to a report by National Skill Development Corporation (NSDC), India will need around 76.5 million strong workforce in the India's booming Building, Construction and Real Estate sector. Out of the 24 sectors studied by NSDC, this sector will have the maximum incremental

human resource requirement from 2013 to 2022 and report also state that construction sector is one of the largest seasonal employment providers in India only next to agriculture (Hemali Chhapia, May 6, 2015, TOI). The construction industry does not guarantee permanent work due to numbers of factors such as volume and intensity of construction work, type of work, migration trend, contractor choice, wage rate and manipulation of employment (Manohar et. all, 1981). In the construction industry, there are about 8.5 million building and other construction workers in the country, of which a substantial number is of women. Women in the construction industry have remained, for ages, as secondary workers- extremely underpaid, exploited and marginalized, yet new aspirants, as migrant labour from rural labour areas, keep on arriving in increasing large number (Surinder, 2009).

National Association of street vendors of India (NASVI), estimated 10 million people in India live by street vending, NASVI in 1998 conducted the study across seven cities of India and found around 2 per cent of total population in cities engaged in street vending. The study by Nidan (2009) says that in 28 municipal bodies in Bihar 151315 population engaged in street vending. Vending remains a core of livelihood strategy and favorite source to generate employment or income for urban population and rural-urban migration (Turner and Schoenberger, 2012).

4. **Unorganized versus Informality: Evidence and Experience: -**

All over the world, workers are in a struggle for survival, informal workers do not receive legal or social protection through their work. Most of them earn below the minimum wage and are from poor households. Many trade unions, other membership-based organizations of workers and non-governmental organizations have begun campaigns for or have actually organized specifically for the purpose of improving conditions for informal workers. Organized action has been central tool in the hands of workers for bargaining in labour exchange process and has strengthened labour's position considerably. Organizing among informal workers however has been a relatively recent phenomenon, while at the same time union membership has declined in many countries as the number of formal, permanent, full-time jobs has shrunk. Pressure from unions of already organizing informal workers, and interventions by the ILO – particularly its *Resolution concerning Decent Work and the Informal Economy* adopted at the International Labour Conference in 2002 – has increased the awareness on the importance and role of organized action among informal workers and spurred policy changes in the international trade union movement (ILO, 2002).

The Self-Employed Women's Association (SEWA) established in India in 1971 is remarkable example of organized action in the informal sector. SEWA has organized both self-employed women (part of the petty bourgeoisie) and wage-worker women (part of the working class). Despite its blurred class character, SEWA could succeed in developing a flexible sui generis structure with all its cooperatives, unions, financial programs, and organizational activities.

In the Nigerian Labour Congress (NCL) in 2009 on organizing in the informal economy, it was noted that the informal workers needs the organizational experience of the trade union while union also need the vast numbers of informal workers to build more power to leverage more concessions on larger macroeconomic issues (Bonner and Spooner, 2011). Informal workers' cooperation come in many forms: registered cooperation's, associations, self-help groups, societies, membership organization, non- government organization and so on. A pertinent question that naturally arises amidst such an exploitative context is why informal sector labourers or women workers do not organize to demand better terms of work. Level of organizing in informal sector has generally been low. In the words of Sinha (2006: 142.):-

"One of the most powerful barriers to organizing is fear. Women have been brought up in fear of their men, their employers and their communities. They live in constant fear of losing their livelihoods, of starvation, of losing their children to illness and of being thrown out of their houses" (Edited by Jain and Elson, 2011).

Providing a trade union framework for informal economy workers is a challenge for every continent, even though it enables precarious and informal economy workers to have access to the trade unions, to be represented by them, supported and defended. Today more workers in the informal economy need this trade union support, because they have little training and awareness on their fundamental rights to work. They have the greatest need to be defended, because they are not protected. They have the greatest need to be represented, because they are not recognized and above all not listened to. Despite all the difficulties that are associated with informal sector and constraint the process of organization in the sector, there are evidences that workers in informal sectors have attempted to come together on a platform to demand their rights but in a different manner, for example Chhattisgarh Mines Workers Union (CMSS), Kagah Kach Patra Kashtakari Panchayat (KKPKP), is informal sector cooperation.

Associations, trade unions, NGOs, co-operation, cooperatives – the kinds of organizations built at the base by informal workers can vary greatly. One strong factor is the type of economic demand

that they have. Self- employed workers tend more towards cooperatives or cooperative-like organizations, while wage workers tend more towards trade unions or other forms of workers' associations. Some, like Self –Employed Women's Associations (SEWA), combine both depended workers and independent workers also.

6. Statement of problem and research question

Existing evidences reflect that while cooperation and organization can go a long way in improving the work and life circumstances of informal workers, organizing remains challenging except for isolated examples especially in cases where some states have done fairly well in legislations and enactments in favour of informal workers. The question is when cooperation can be helpful in up liftmen of livelihood conditions of informal workers, why it is so difficult to achieve? Organized action is yet to receive the place in policy process that it deserves, despite all apparent concerns on informalization of labour force. Moreover, with time it is realized that informal sector is going to persist and formalization is perhaps not the way out. In such context, it becomes important to understand how the circumstances of informal work could be improved. At the same time, the subject has received relatively less research attention so far. There is a gap on understanding micro level organizing behavior of workers, especially women. This research intends to bridge this gap.

Accordingly, this research proposes to address following broad questions:

i. What is the nature of bargaining and negotiations, if any, used by informal workers to maintain subsistence level of activity they are engaged in?
ii. What are the challenges of organizing among self- employed workers vis-à-vis wage-employed workers?
iii. How does the 'gendered' character' of an informal sub-sector such as construction work and street vendor, mediate the importance and nature of organized action among them?

This research proposes to inquire into these questions with reference to the construction sector and street vendors. The construction workers work as wage workers and their employment relationship may be disguised, ambiguous or third party, they are also dependent on an employer. They are facing more flexible work arrangement, high hours of work, wage flexibility, lack of social-

security. While the street vendors work as self-employed or own account worker. They are work under the work condition of uncertainty, unprotected, unregulated and mostly their work arrangement are scattered means Scattered types of work and they are depend on daily earning. Street vendors are also facing employment or work security and social security. In last decades women's are mainly engaged in construction and street work relatively greater in this sector (Agarwal, 2013) and that too in secondary activities. It is important to understand their relationship with their work, especially since they are engaged in so-called inferior work.

6. Objectives

The main objectives of the proposed research in specific terms are:

1. To inquire into the manner and circumstances in which the construction and street vendor workers cooperate (or do not cooperate) to improve their work and life conditions.
2. To understand the organizing challenges of self-employed workers as against wage workers.
3. To examine how gender identity influences female workers' ability or inability to work and cooperate.

7. Methodology

The proposed research will use both qualitative Methods and quantitative Methods, with primary reliance on the former.

Location and Sample

There is no based line available for sampling. Therefore, government & private sites and labour chouk/chouraha will be selected in Patna (PMC) and accordingly construction sites shall be identified to construction workers and contractors also. To the study of street vendors, Patna district will be selected on the basis of Vending zones accessibility and inaccessibility. The size of universe will be 250, for construction 150 and street vendors 100 shall be randomly selected for individual interview and also focused group discursion or interaction as per the situation and demand. In addition to understand the process of organizing, associations and non government organizations dealing with issue of construction workers and street vendors shall be studied in depth and case study of some NGOs, association, I will organized four case study two for each

sectors. For depth understanding of both sectors I will also take interview of experts/officers/government employers/NGOs.

Data

Since there is hardly any data available on informal workers, including street vendors and construction workers, this research will rely on primary data. Primary data collection will include both structured individual survey and focus group discussions. This will involve open ended, individual interview, focused group discussion and participatory observation.

Open ended and interviews as a way to collect qualitative data, individual interview help to find out the seeds problem of the interviewers. The interview has more flexible, objective, empathic, persuasive (Fontana &Frey, 2000, p- 652), therefore qualitative research require this technique. A focus group discursion (FGD) has highly efficient qualitative data collection technique, which provides some quality controls on data collection (Patton, 2002). FGD correspond to the way in which opinions are produced, expressed, and exchange the everyday life, corrections by the group concerning views that are not correct, not socially shared, FDG becomes a tool for reconstructing the individual opinions more appropriately, its analysis the common process of problem solving the group (Flick, 2010). In addition, the case study method will be used to study cases of organizing initiatives among informal workers from street vending and construction sector. Case study method is the most flexible of all research designs, allowing the researcher to reach in the holistic characteristics of real-life events while investigating empirical events and it is also only one of many ways of doing social science research with experimentation, observation, surveys and archival information (Charles, 1992). Case study is an ideal methodology when a holistic, in depth investigation is needed (Feagin, Orum &Sjoberg, 1991). Case study research is not sampling research it has been used in varied investigations, particularly in sociological studies, but increasingly, in instruction (Tellis, 1997).Case study research excels at bringing us to an understanding of a complex issue or object and can extend experience or add strength to what is already known through previous research.

9. References

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